



PAC • CAMPAIGN • ~~NON-PROFIT~~ • POLITICAL LAW
FEDERAL ELECTION
COMMISSION

Office of General Counsel
999 E Street, N.W.
Washington, D.C. 20463
ATTN: Jeff S. Jordan, Esquire

2015 JAN 15 PM 2:58

OFFICE OF GENERAL
COUNSEL

RE: MUR 6639

Dear Mr. Jordan:

I have enclosed a Response, on behalf of my clients Gary Johnson 2012, Inc. and Chet Goodwin, Treasurer, to the Complaint in the above referenced Matter Under Review along with a Designation of Counsel.

Please contact me if you have any questions about this Response.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Dan Backer', written over a horizontal line.

Dan Backer, Esquire
(202)-210-5430 Direct
(202)-478-0750 Fax
dbacker@dbcapitolstrategies.com

1-800-444-4444

FEDERAL ELECTION COMMISSION

IN THE MATTER OF: JODY YOUNG

MUR: 6639

GARY JOHNSON 2012, INC.
CHET S. GOODWIN, TREASURER**RESPONSE****Introduction**

Gary Johnson 2012, Inc. and Chet S. Goodwin, in his official capacity as Treasurer, (collectively "Respondent"), through counsel, hereby file this formal response to the Complaint by Ms. Jody Young ("Complainant") alleging violations of the Federal Election Campaign Act of 1971, as amended (the "FECA"). Respondent requests immediate dismissal of these allegations.

Matter Properly Addressed by the Reports Analysis Division

The matters discussed in the Complaint were previously, and/or are being, properly addressed through the Federal Election Commission's ("FEC") Reports Analysis Division ("RAD").

Complainant alleges reporting errors associated with Respondent's June 2012, July 2012, and August 2012 reports and that Respondent has "violated the Commission's rules by amalgamating expenses for a wide variety of matters under payments made to a single entity [Political Advisors]." Complaint at 2. The FEC has previously advised that a committee may report its payments to consultants as expenditures without further itemization, or reporting, of payments made by such consultants to others, which are made to purchase services or products to perform the consultant's contract with a committee. See AO 1983-25 (specifically, the FEC did not require committee to provide the identity of sub-vendors where the committee paid a consultant to furnish media related services including purchase of television and radio time and newspaper space during the 1984 presidential campaign).

The FECA requires only that the committee include an adequate description of the purpose of each expenditure to consultants. *Id.*; 2 U.S.C. 434(b)(5)(A); 11 C.F.R. 104.3(b)(4)(i). The FECA and applicable regulations do not address the concepts of ultimate payee, vendor, agent, contractor, or sub-vendors in this context. AO 1983-25; *But see* FEC Notice of Interpretive Rule, 78 Fed. Reg. 40625 (July 8, 2013) (addressing how committees should report disbursements in three scenarios: reimbursement to individuals for out of pocket expenses; payments to credit card companies; and unreimbursed disbursements by candidates).

Pursuant to 11 C.F.R. 104.3(b)(4)(i)(A), purpose is defined as "a brief statement or description of why the disbursement was made. Examples of statements or descriptions which meet the requirements of this paragraph include the following: dinner expenses, media, salary, polling, travel, party fees, phone banks, travel expenses, travel expense reimbursement, and catering costs." See also FEC Statement of Policy of January 9, 2007; FEC Updated Examples of Adequate Purposes. <http://www.fec.gov/rad/pacs/documents/ExamplesofAdequatePurposes.pdf>.

17044410492

In accordance with 11 C.F.R. 104.3(b)(4)(i)(A) and FEC guidance, Respondent has already properly amended the reports in question with more detailed purpose descriptions. Subsequent to filing such reports, Respondent received a Request for Additional Information ("RFAI") related to the June 2012, the July 2012, and the August 2012 reports requesting the Respondent clarify the descriptions: "Media Buys, Canidate [sic] Travel, Campaign advisory and management." In response to the RFAIs, Respondent promptly amended each of the foregoing reports with proper purpose descriptions, including for example, ad placement, travel, shipping, and other detailed descriptions. See Image #13961072398; Image #13961072498; Image #13961072583. This matter has been properly resolved by RAD and requires no further action by the FEC.

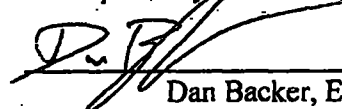
Complainant also alleges that Respondent failed to report indebtedness to Political Advisors; however, the Respondent is currently in the audit process, inclusive of this same matter. The subject of these complaints will soon be properly resolved, along with any other reporting matters, and requires no further action by the FEC with respect to this MUR.

Conclusion

Respondent, through counsel, respectfully requests you recommend this matter for immediate dismissal as Respondent has not, nor is there any reason to believe that he has, committed any violations of the FECA and further use of FEC resources are not warranted in this matter.

Dated this 13th day of January, 2015.

Respectfully Submitted,


Dan Backer, Esquire
Christina Sirois, Esquire
Counsel for Respondent
DB Capitol Strategies PLLC
203 South Union Street Suite 300
Alexandria, VA 22314
(202)-210-5431 Direct